

Market Commentary

Recap: The oil market rallied higher on Thursday after it posted an inside trading day on Wednesday as U.S.-Israeli conflict with Iran disrupts global oil supplies and shipping on the Strait of Hormuz has been halted. Iraq and Qatar have already shut in oil and gas production due to the shipping paralysis through the Strait of Hormuz. Iraq has shut down 1.5 million bpd of crude production because it is running out of storage for oil production, while Qatar has shut down its production of its liquefied natural gas for the same reason. Analysts noted that Kuwait and the UAE could be next to cut their supply as storage space runs out. The crude market posted a low of \$78.53 in overnight trading and continued to rally higher throughout the session. It extended its gains to \$7.5 as it rallied to a high of \$82.16 ahead of the close. The April WTI contract settled up \$6.35 at \$81.01, while the May Brent contract settled up \$4.01 at \$85.41. The product markets were also well supported, with the RB market settling up 15.6 cents at \$2.6709 and the heating oil market settling up 32.05 cents at \$3.6143, a level not seen since November 2022, amid a lower supply outlook in the fuel markets.

Technical Analysis: The oil market will remain driven by the latest headlines regarding the U.S.-Israeli war with Iran and its impact on supplies. The market will look to the announcements expected by the Trump administration regarding measures it will take in the oil futures markets to combat rising energy prices. However, it is likely that the announcement may only go so far in influencing the energy markets amid the current fundamentals driving the market. The market will likely retrace some of its sharp gains and trend sideways barring a further major development in the conflict. Resistance is seen at \$82.16, \$83.82, \$84.52, \$86.28 and \$87.67. Meanwhile, support is seen at \$74.97, \$75.55, \$73.51, \$73.28, \$71.46, \$70.41, its gap from \$69.20 to \$67.83, \$64.85 and \$63.60.

Fundamental News: According to analysts, traders and sources, Kuwait and the United Arab Emirates are the Gulf oil producers who will be next to reduce output if they cannot export crude through the Strait of Hormuz due to the Iran crisis, as storage tanks fill up. Shipping through the Strait of Hormuz has ground to a near halt after Iranian hits on six vessels since the crisis started. Earlier this week, Iraqi oil officials said Iraq cut oil production by nearly 1.5 million bpd, and those cuts could widen to more than 3 million bpd within days as the country runs out of storage and cannot export crude due to the crisis. This week, analysts at JPMorgan said that Kuwait has about 18 days before output would need to be curtailed due to storage being used up, and the UAE 22 days if vessels are not re-routed, as estimated from the first day of the conflict. Two oil traders who deal in UAE crude said Abu Dhabi may need to lower production earlier than this if exports through the Strait do not resume. According to ship tracking data from Vortexa and Kpler that excludes some of the smallest tankers, around 300 oil tankers remained inside the Strait as vessel traffic in and out of the chokepoint nearly halted following the outbreak of war.

According to the AAA, the national average cost of gasoline, has increased 27 cents since last week to \$3.25/gallon.

The Wall Street Journal reported that U.S. Treasury Secretary Scott Bessent is considering asking China to reduce oil purchases from U.S. adversaries like Russia and Iran. It reported that the U.S. Treasury Secretary may raise the issue in a meeting with his Chinese counterpart, Vice Premier He Lifeng, in Paris in mid-March, adding that they are planning to firm up a framework for the April summit between U.S. President Donald Trump and Chinese leader Xi Jinping.

Early Market Call - as of 8:45 AM EDT

WTI - Apr \$87.12, up \$8.25
 RBOB - Apr \$2.7205, up 9.98 cents
 HO - Apr \$3.7092, up 25.51 cents

All NYMEX | Prior Settlements

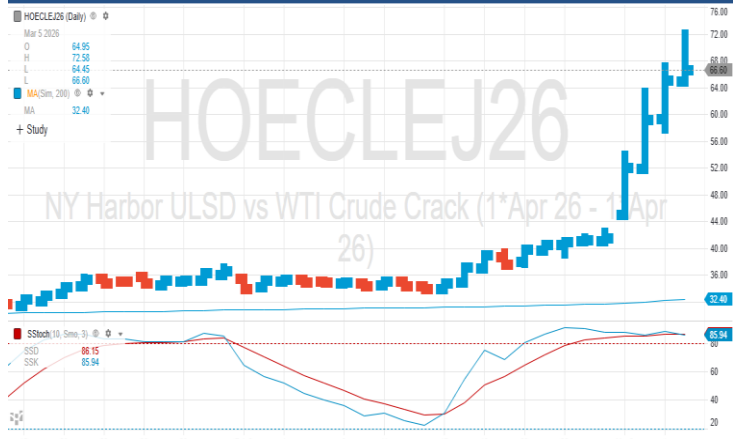
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-26	3.6143	0.3205	1.0885
May-26	3.2378	0.2423	0.7691
Jun-26	2.9947	0.1859	0.5656
Jul-26	2.8498	0.1351	0.4412
Aug-26	2.7564	0.1049	0.3616
Sep-26	2.6929	0.0823	0.3034
Oct-26	2.6412	0.0655	0.2547
Nov-26	2.5869	0.0509	0.2074
Dec-26	2.5321	0.0384	0.1639
Jan-27	2.5064	0.0300	0.1460
Feb-27	2.4847	0.0264	0.1369
Mar-27	2.4546	0.0228	0.1278
Apr-27	2.4196	0.0193	0.1206
May-27	2.3953	0.0172	0.1164
Jun-27	2.3775	0.0169	0.1147
Jul-27	2.3686	0.0162	0.1117
Aug-27	2.3630	0.0159	0.1082

Sprague HeatCurve October 2026-April 2027		\$2.5102
	Close	Change
Crude - WTI	\$78.6400	\$5.1800
Crude - Brent	\$85.4100	\$4.0100
Natural Gas	\$3.0030	\$0.0860
Gasoline	\$2.6709	\$0.0156

EIA Working Gas Storage Report

	27-Feb-26	20-Feb-26	Change	27-Feb-25
East	322	364	-42	343
Midwest	397	441	-44	400
Mountain	198	201	-3	166
Pacific	257	259	-2	199
South Central	712	753	-41	662
Salt	169	179	-10	151
Nonsalt	544	573	-29	512
Total	1886	2018	-132	1,771

April Heating Oil Crack Spread



WTI Forward Curve

